

8-3863/2

**CONFIDENTIAL**

JUL 5 1956

The Honorable James C. Davis, Chairman  
Subcommittee on Manpower Utilization and  
Departmental Personnel Management of  
Committee on Post Office and Civil Service  
U. S. House of Representatives  
Washington 25, D. C.

Dear Mr. Chairman:

I am pleased to comply with the request made in your letter of 17 May 1956 that a special report on this Agency's Manpower Utilization Program be submitted by 6 July 1956. I hope that the following summary will be adequate for your purposes:

Results Achieved From 1 January to 30 June 1956:

We have continued to study a number of areas in which we think savings may be possible. These involve problems which we can study and resolve on our own responsibility, as well as those involving one or more other agencies. Two internal studies have been completed which resulted in conclusions that we could not effect savings by combining functions in one case and by contracting for services in another. Certain procedural changes in still another area have resulted in a saving of 12 positions. The majority of the studies which we advised you of earlier are, however, not yet completed.

Current Status of Program:

Studies continue by specially appointed task forces and the Management Staff of all areas in which we think savings possible. Plans are under way and detailed studies are in process to effect substantial reductions in two specific organizational components of the Agency. Increased emphasis is being placed on the use of business machines. In one particular area we believe the installation of machines now in process will effect significant savings.

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JUN 25 1956	
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Proposed Program for First Six Months of Fiscal Year 1957:

Continue actions mentioned above under "Current Status of Program." Study new areas that may develop. Continue to experiment with a new staffing pattern in one component of the Agency and install it in other components as the system is perfected. In addition, scrutiny of manpower utilization in all components of the Agency is a continuing process wherein we systematically translate the functional requirements into needed personnel on a strict work-burden basis.

Due to the fact that this Agency has been required to undertake important new assignments in recent months it has been necessary to authorize some increase in our total personnel; in fact, our numbers are slightly greater than they were on 31 December 1955. Our effort, however, has been and will continue to be in the direction of reducing personnel whenever possible without reducing the effectiveness of our work.

Since this report will be appended to your Subcommittee's published report of 30 June 1956, I am sure you appreciate that the security aspects of our work preclude going into very much detail. However, I would be glad to discuss our Program with you in whatever detail you feel appropriate.

Sincerely,

*(Signature)*

Allen W. Dulles  
Director

DD/S:LKW:laq

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CONCUR:

*[Redacted Box]* 25X1  
L. K. WHITE  
Deputy Director JUN 1956  
(Support)

*[Redacted Box]* 25X1  
NORMAN S. PAUL  
Legislative Counsel

*Cfc*  
*DDC/I*  
*5 July*

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An explanation of items mentioned in the proposed letter to Mr. Davis are as indicated below:

Results Achieved from 1 January to 30 June 1956:

A study of the advisability of combining the Signal Center and the Cable Secretariat convinced us that we should not undertake to do this at the present time.

A study to pursue the advisability of contracting for general services such as upkeep of the roads, running the mess, etc., at [redacted] convinced us that we should not do this. 25X1

The 12 positions which we have saved are a combination of several small procedural changes.

Current Status of Program:

The studies which are to continue are those discussed at the Deputies' Meeting and the Senior Staff Meeting on Monday, 2 July 1956.

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[redacted]  
It may be possible to save as many as 200 people when we get machines installed in the [redacted] DD/P area. (Frankly, I think that this is just a "hope" and may not ever be a reality.)

We are experimenting with a new staffing pattern in the Office of Communications which should give us better control.

General:

The facts are that our civilian strength has increased by [redacted] positions during the period 1 January to 30 June 1956. 2

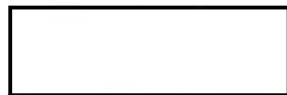
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MEMORANDUM FOR: THE DIRECTOR

The attached proposed letter to Chairman Davis of the Subcommittee on Manpower Utilization (Tab A) is due in his office not later than 6 July. Since he plans to append it to his published report, we have written it in a very vague manner. For your information, however, Tab B explains the specific actions which we have taken and is what we would tell Mr. Davis if he should want further oral explanation.

Request signature on Tab A.



5 Jul 56  
(DATE)

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Remarks:

Thank you very much for loaning us the  
attached.

FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
Legislative Counsel - 221 East			12 Aug 60
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